

**PERFORMANCE  
PAY  
PROGRAM**

**DEPARTMENT OF LAW**  
**January 24, 2002**

**NEW AND IMPROVED REVISED  
FINAL PLAN**

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## **I. Performance Pay Program.**

In order to comply with House Bill 96-1262, the following performance pay program has been created. The Department of Law ("DOL", also known as the Colorado Attorney General's Office) has designed this performance pay program as directed by the State Director of Personnel. Modifications required by Senate Bill 00-211 are incorporated herein, **as are modifications required by rule and procedure changes adopted April 17, 2001. *Additional modifications have been incorporated as required by rule and procedural changes adopted September 1, 2001. These changes are reflected in italics.***

This plan addresses the following areas:

Performance Management  
About the Department of Law  
Performance Planning and Appraisal  
Budget Allocation and Award Distribution  
Dispute Resolution Process and Procedures  
Communications and Training  
Recordkeeping  
Evaluation of Colorado Performance Pay Program

The role of performance management and performance based pay for the State of Colorado work force will be to plan, recognize and reward performance.

The purpose of the Performance Pay Program at the Department of Law is to facilitate and maximize the contribution of each employee in carrying out the department's mission and to provide compensation to employees in a manner that is directly related to their level of effort and success in meeting established objectives.

### **A. Goals and Objectives:**

1. Match individual employee and program goals and objectives with departmental goals and objectives.
2. Ensure understanding of performance measures by employee and supervisor.
3. Ensure understanding of performance evaluation by employee and supervisor.
4. Ensure continuous communication between employees and supervisors.
5. Allow supervisors to create and implement performance plans and evaluations that maximize and reward employee performance/effort emphasizing both short and long term goals.
6. Define and support the values and goals of the Department of Law.

B. Budget strategy for adequate funding of performance awards.

1. The most valued resource at the Department of Law is our employees.
  - a. DOL recognizes that its employees are its most important asset and is committed to rewarding its employees for excellent performance and effort.
  - b. A management priority at DOL will be to retain and promote successful and outstanding employees.
2. Each operating section at DOL will develop a strategic plan that states the section's mission and describes goals and objectives of the section in carrying out its mission. Section plans will conform to DOL's overall mission and will be approved by the Deputy Attorney General of each section.
3. Budget requests and funding plans will conform to section and department missions.
  - a. DOL will request funds to meet needs of employee performance awards.
  - b. Performance award requests will be for base building awards and non-base building performance awards.
  - c. DOL will administer a simple, "user friendly", performance planning and evaluation process. This process will replace the current Performance Appraisal for Colorado Employee (PACE) process.

## **II. About the Department of Law.**

The Colorado Attorney General is one of five independently elected statewide offices in Colorado and was established by the state Constitution upon statehood in 1876. The Attorney General serves as the executive director of the Department of Law. The mission of the DOL is to provide coordinated legal services to the many elected officials, agencies, commissions, boards, and departments that comprise Colorado state government. Our objective is to provide quality cost-effective legal representation and advice for all facets of Colorado state government. The Colorado Constitution, state statutes, agency rules and regulations, and relevant case law provide the primary frames of reference for our work.

Some of our responsibilities include:

- Defending the State's interests and sovereignty;
- Protecting the public safety;
- Protecting Colorado's consumers and businesses;
- Protecting Colorado's natural resources and environment; and
- Protecting the State against civil lawsuits.

### **III. Performance Planning and Appraisal.**

**Performance Management:** The procedure for developing individual performance plans brings together supervisors and employees in a cooperative and collaborative effort. The DOL Performance Management Form includes and incorporates the Statewide Core Competencies, as well as allowing supervisors to include Individualized Competencies. The Statewide Core Competencies and Class Specific Factors are mandatory and must be included in every classified employee's performance plan.

The evaluation period for DOL's performance pay program will be from May 1 to April 30 annually. During FY02, DOL will be converting all classified employees from a fiscal year evaluation cycle to this evaluation cycle. Specifically, during FY02, DOL employees' first performance pay program evaluation will be a partial year, from July 1, 2001 to April 30, 2002. Subsequent evaluation cycles will be May 1 to April 30.

All classified employees will receive a written performance evaluation at least annually based on their job performance during the previous year. DOL requires regular and continuous coaching and feedback on employee performance between supervisors and their employees, and requires at least one mandatory and documented mid-year progress review. If an employee changes positions during the performance cycle, an interim rating must be completed and forwarded to the new appointing authority or agency.

One or more annual individual planning sessions between supervisors and their employees will be scheduled to allow the supervisor to describe the expectations he/she has for the employee in the coming year and also for the employee to discuss any concerns arising from these expectations. Through these discussions, realistic performance objectives and measures will be identified as part of the annual performance planning process. Both behavioral and objective performance measures may be used. The agency has considered 360 degree multi-source assessment, and will incorporate assessment techniques appropriate to our organizational structure. For instance, supervisors often solicit input from an employee's internal and external customers for consideration in the evaluation process.

A performance plan will be established by the first day of the evaluation period (May 1<sup>st</sup>) for all employees or within 30 days of hire for all new employees. Procedures will be developed to ensure that an employee's plan is developed jointly with either his/her immediate or next level supervisor. In all cases, employees will have a plan. If a supervisor fails to timely complete a plan, the next level supervisor is responsible for completing the plan. If the next level supervisor fails to complete the plan in a timely manner, their supervisor is responsible for completing the plan. This process continues up the chain of command until the plan is completed as required by law. Supervisors, at any level, who fail to timely complete a plan may face corrective action or other disciplinary action. In addition, classified supervisors who fail to timely establish performance plans for their employees are not eligible for any performance pay program award.

Employees and supervisors will begin the performance planning process with the previous year's plan and evaluation. Performance planning meetings will: determine whether management priorities have changed to a degree necessitating a change in the plan; provide an opportunity to revise or reaffirm the significant segments of the job to be evaluated; and include discussion on performance objectives and measures to be used for the upcoming plan year. If the employee and the supervisor cannot agree on the appropriate performance objective or measures to be used, the supervisor shall have the responsibility of the final decision. Performance plans for continuing DOL classified employees are due by the first day of the annual evaluation cycle (May 1<sup>st</sup>). In the event the dispute resolution process is invoked, the new performance plan will be finalized by no later than 30 days after the employee's evaluation has been finalized for the previous plan year.

Training is mandatory for all raters and all raters will be evaluated on their performance management of employees.

**Evaluation Levels:** An important component of a successful pay for performance plan is a mechanism to ensure a consistent and equitable linkage between performance and pay. A common employee concern is that supervisors will not fairly evaluate employees. DOL is very aware of the need for fairness and is committed to establishing consistent and equitable performance measures for all employees. Further, DOL wants to maintain consistency among the various sections and units within the Department. For these reasons, DOL has developed a new Performance Management Form. This form incorporates the Statewide Core Competencies, as well as allowing supervisors to develop any appropriate Individualized Competencies.

**Statewide Core Competencies:** All classified employees will be rated on Statewide Core Competencies as developed and published by the State Personnel Director. *Uniform core competencies cannot be disregarded in the final rating for each employee (per 9/1/01 procedural change to P-6-1 B).* Core competencies will be the same across all classes, but may change periodically at the State Personnel Director's discretion.

**Individualized Competencies:** In addition to the Statewide Core Competencies, employees may be rated on individualized competencies. The DOL recognizes that there are many unique positions within the department, therefore supervisors will also have an opportunity to evaluate the performance of employees with individualized factors or through a narrative section. This section is to be used at the discretion of the supervisor if they feel that the Statewide Core Competencies do not adequately reflect the unique duties of an employee. The rating scale of these individualized and narrative factors will be the same as those for the core competencies.

The rating scale for all competencies shall be as follows:

**Level 4/Exceptional:** Performance is characterized by very high quality of work that leaves little or nothing to be desired; consistently exceeds expectations by making significant contributions beyond the requirements of the job. *This level is unique and*

*difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment (per 9/1/01 procedural change to P-6-1 G).* This is the Outstanding performance rating.

Level 3/Commendable: Performance is characterized by high quality of work; frequently exceeds expectations by making significant contributions beyond the requirements of the job. This is the Above Standard performance rating.

Level 2/Successful: Fully and completely fulfills the requirements of the job; works in a competent and diligent manner to achieve the goal. Performance indicates complete attention to and accomplishment of assigned responsibilities. This is the Satisfactory performance rating.

Level 1/Needs Improvement: Fails to meet the minimum expectations of the job (or performance does not meet requirements for the position). This is the Unsatisfactory performance rating.

**Overall Rating:** After completing all form sections, supervisors will assign an overall rating for each employee. DOL's performance pay program utilizes a four-scale rating system: Level 1/Needs Improvement, Level 2/Fully Competent (Successful), Level 3/Commendable, and Level 4/Peak Performance (Exceptional).

An overall rating of Level 1/Needs Improvement must result in either a corrective action or a performance improvement plan; the supervisor is responsible for determining which is the most appropriate under the circumstances. An employee who receives an overall rating of Level 1/Needs Improvement is not eligible for a performance award.

**Performance Review Committee:** All performance evaluations will be reviewed by a Performance Review Committee (PRC). *The primary purpose of the PRC is to monitor the quality and consistency of performance ratings within the department before final overall ratings are provided to employees (per 9/1/01 procedural change to P-6-1 K).* The standing members of the Performance Review Committee are the **Director of Administration**, the Deputy of the employee's section, and the Personnel Officer. All performance evaluations must be completed by supervisors and forwarded to the Performance Review Committee by April 15<sup>th</sup> each year. The Performance Review Committee will meet and review, section by section, the performance evaluations, returning them to the supervisors by April 22<sup>nd</sup> each year. Supervisors must give the completed evaluations to their employees by April 30<sup>th</sup> each year.

If a supervisor fails to evaluate an employee, the next level supervisor has the responsibility of evaluating the employee. If the next level supervisor fails to evaluate an employee, their supervisor is responsible for completing the evaluation. This process continues up the chain of command until the evaluation is completed as required by law. Supervisors, at any level, who fail to timely evaluate a classified employee may face corrective action or other disciplinary action. In addition, classified supervisors who fail to timely evaluate their subordinate employees are not eligible for any performance pay



program award. If a rating is not given, the overall evaluation is considered to be Level 2 until a final rating is completed and lack of a plan or rating can be disputed.

Once the evaluations have been reviewed and approved by the Performance Review Committee, and the employee has had the opportunity to utilize the dispute resolution process, the evaluations will be forwarded to the Compensation Distribution Committee for determining the levels of award, if any.

**Supervisor/Employee Communication:** The Department recognizes that continuous coaching and feedback between the supervisor and employee is critical for the success of this performance pay program. This process should occur continuously over an adequate time period that will keep the employee fully informed of progress in meeting performance expectations. At the same time, the employee has a responsibility to keep the supervisor fully informed of concerns or perceived problems in meeting the agreed to performance expectations. Communications must be free and open. At a minimum, it is the DOL's policy that one mid-year progress review is to be held with all employees, around the six month mark (October-November). More frequent meetings, however, are strongly encouraged. The date that any meetings took place to discuss an employee's plan should be documented on the employee's performance evaluation form.

Modifications to the employee's performance plan may become necessary during the plan year. Either the employee or the supervisor can initiate discussions about revising a performance plan. Modifications must be documented on the employee's evaluation form and initialed by both the supervisor and employee. The supervisor and employee should make efforts to agree on plan modifications. If agreement cannot be reached the supervisor must resolve the matter.

Classified supervisors who fail to evaluate their employees are not eligible for any performance pay program award. In addition, all supervisors (classified or otherwise) who fail to evaluate their employees are subject to action under C.R.S. 24-50-118.

Quotas or forced distribution processes for determining the number of ratings in any of the four performance levels shall not be established.

Supervisors' or raters' ("Rater") evaluations of employee performance must be reviewed by a higher level ("Reviewer"). At DOL, the Reviewer role is held by the Performance Review Committee.

Performance ratings at DOL will be based on a qualitative, non-numerical system, which will be applied uniformly throughout the department. Qualitative ratings must convert to one of the four established rating levels.

Performance management training will be mandatory for all DOL supervisors and raters.

All supervisors or raters will have a provision or factor in their own performance plan that measures and evaluates the effectiveness of their performance management of their employees.

## **IV. Budget Allocation and Award Distribution.**

### **STATEWIDE GUIDELINES**

#### **All awards are subject to available funding and no award will be guaranteed.**

The pay range maximum or upper limit on base building will be set at what is called Traditional Maximum (formerly Step 7) in the current compensation plan. The 5- Year Rate (formerly Step 6) will be retained until June 30, 2002. Job Rate has been eliminated.

The annual total compensation survey will be conducted according to statute.

The Compensation Distribution Committee will make pay decisions based on the evaluations completed by raters and reviewers and within system boundaries. Performance award payments begin July 2002.

#### **BASE BUILDING AWARDS:**

Base building awards are a permanent part of pay and are paid as regular salary. Base building awards become part of the regular base salary beginning in July.

#### **NON-BASE BUILDING AWARDS:**

Non-base building awards must be earned each year. They do not become a permanent part of regular salary. The unpaid balance of any non-base building award shall be paid to the employee should they terminate. The funds for the awards do not become available until July following evaluations, so an employee terminating in March would not receive payment of their award until July. Non-base building awards are paid in one lump sum in July.

#### **AWARD ELIGIBILITY:**

Level 1/Needs Improvement performers are not eligible for a performance award.

#### **For those employees below the pay range maximum –**

Level 2 through Level 4 performers are eligible for base building, non base building, or a combination of performance awards. No base building award can be granted that results in a base salary that exceeds the pay range maximum. *The Department of Law will award only base building performance awards up to the maximum of the pay range (per 9/1/01 procedural change to P-6-1 J).*

For Level 2 and Level 3 performers, a combination of awards cannot be granted that result in a dollar amount greater than the pay range maximum.

Only Level 4 performers may, at the sole discretion of the Compensation Distribution Committee, be granted a non-base building award that results in a dollar amount above the pay range maximum.

**For those employees currently at the pay range maximum (or in saved pay) -**

Level 4 performers, at the sole discretion of the Compensation Distribution Committee, are eligible for non-base building awards in any amount that does not exceed the statewide maximum amount established by the state personnel director.

Level 2 and Level 3 performers at the maximum of the pay range or in saved pay are not eligible for any performance award.

**AWARD SETTING:**

The State Personnel Director will recommend and publish annually, in conjunction with the Total Compensation Survey, the maximum awardable percentage for statewide application.

DOL will specify the maximum award percentages for Level 2 and Level 3 based on our organization's budget, employee demographics, and distribution of ratings.

\*The award percentage may be a range for each Level.

\*The minimum award for Level 2 *must be greater than zero (per 9/1/01 procedural change to P-2-18).*

\**The minimum award for Level 3 must be greater than the maximum award for Level 2 (per 9/1/01 procedural change to P-2-18).*

\* *The minimum award for Level 4 must be greater than the maximum award for Level 3 (per 9/1/01 procedural change to P-2-18).*

\*The maximum award for Level 4 will be the maximum percentage set annually by the State Personnel Director.

The minimum award for those currently at the maximum of their pay ranges is set at zero, because payment of these awards is at the sole discretion of the Compensation Distribution Committee.

Regardless of performance award, an employee cannot be granted an award or combination of awards greater than the set performance award maximum.

## **DEPARTMENT OF LAW GUIDELINES**

### **ELIGIBILITY FOR AWARDS:**

In order to be eligible for an award, an employee must have been with the Department of Law for at least six months prior to the end of the rating period, and be certified by payout of the award (July 1<sup>st</sup>).

An award shall be based on the salary at the time of the evaluation. For example, if the rating period ends April 30, and an employee is an Administrative Assistant II at that time, then they promote in May to a Program Assistant I, the amount of their award will be based on the April 30 Administrative Assistant II salary.

### **MONETARY AWARDS (PAY-OUT METHODOLOGY):**

For employees within the range, awards may be base building, non-base building, or a combination, not to exceed the range maximum. *However, the Department of Law will award only base building performance awards up to the maximum of the pay range (per 9/1/01 procedural change to P-6-1 J).*

The distribution of funds will be calculated centrally at DOL to maximize distribution of available funds, and will be reviewed and approved by a seven-member Compensation Distribution Committee ("CDC"). Permanent members of this group will be the Chief Deputy Attorney General, the Chief Financial Officer, and the Budget Officer. The remaining four members will be selected annually by lottery, and will consist of a Non-Classified Supervisor, a Classified Supervisor, and two non-supervisory classified employees. Confidentiality of individual awards will be maintained, and will not be revealed to the discretionary members of the CDC. CDC members will be reviewing only the general guidelines, and proposed award percentages by category, not individual awards. All monetary award decisions must be made by the CDC no later than June 1.

During the transition year (FY02), DOL will calculate performance awards using the statewide, employee-based annualization process as described in the Performance Pay System report to the JBC, dated August 31, 2000.

All base-building awards will be paid over a twelve-month period, and will commence in July following evaluations. These awards will become part of the regular base salary in July.

Non-base building awards will be paid as a lump sum in July.

Every employee receiving an award (monetary or non-monetary) will be notified by memo from the Chief Deputy Attorney General. All award memos must be signed and returned to the Personnel Officer within 10 days of notification. Monetary award amounts must be entered into EMPL.

If the award is a combination of base building and non-base building, the base building portion will be paid over a twelve month period; the non-base building portion will be paid as a lump sum.

#### **NON-MONETARY AWARDS:**

Non-monetary awards may be given alone, or in conjunction with monetary awards. Level 2, Level 3, and Level 4 performers are eligible for non-monetary awards, regardless of position in pay range. Non-monetary awards are not calculated in the total amount awards. Non-monetary awards may include:

- Breakfast or lunch with the Attorney General
- Certificates of Merit
- Participation in job-related training
- Being moved up on the equipment replacement list
- Administrative leave

Participation in job-related training will be limited to the availability of funds. As an example, if the fund available for training is \$1,000 and there are 10 awards proposed, each candidate would be eligible for a \$100 contribution to training.

A maximum of two days of administrative leave may be awarded, and must be approved in writing by the Chief Deputy Attorney General.

A plaque, located in the main reception area of the Department, will display the names of all Level 4/Exceptional performers.

#### **AWARD BALANCES:**

Under state guidelines, base building awards are not eligible for payment in the event of termination. Consequently, the balance of a base building award to an employee leaving the Department will be returned to the award fund to be used for non-monetary awards.

## **V. Dispute Resolution Process and Procedures.**

### **PURPOSE:**

To establish guiding principles and recommendations for the Department of Law (DOL) dispute resolution process for employees and their supervisors that are fair, consistent, understandable, and timely under the state's performance pay program as set forth in State Personnel Board Rules and Director's Administrative Procedures, Chapter 8. Disputes will no longer be subject to the Board's grievance process unless a corrective action is involved or discrimination is alleged.

The Colorado Department of Law (DOL) dispute resolution process is designed to:

- Resolve disputes relating to DOL implementation and administration of Colorado's performance pay program;
- Encourage informal resolution of issues at the lowest possible [managerial] level before initiating this dispute resolution process (P-8-16);
- Preserve working relationships;
- Be fair and consistent, open and impartial;
- Be a problem-solving, quality assurance process;
- Assure that both the employee and the supervisor have a responsibility in the process;
- Have each party represent himself/herself (however, each party is permitted the assistance of an advisor);
- Resolve disputes while preserving the agency plan (P-8-18); and
- Be completed within a reasonable time frame.

The State Personnel Director retains jurisdiction for disputes related to performance evaluations that do not result in corrective or disciplinary action.

### **GUIDELINES:**

#### **CONFIDENTIALITY:**

Under no circumstances are any documents related to the dispute to be discussed with, shared with, or prepared by anyone not directly involved in the dispute. All communications, verbal and/or written are to be held in strict confidence by all parties.

#### **ADVISOR(S):**

No party has an absolute right to legal representation, but any party may have an advisor present (P-8-13). The advisor may assist a party in explaining the process, help identify issues, prepare documents, and attend meetings but cannot speak for the employee. The parties are expected to speak for themselves.

#### **REVIEWER(S):**

The reviewer(s) role is that of decision-maker in resolving disputes. Decision-makers are limited to addressing facts surrounding current action and shall not substitute his/her/their judgment for that of the rater(s) (or for the internal decision makers in the agency if an issue is being reviewed at the external stage), but may instruct raters to follow the agency plan, correct error, reconsider a performance rating or plan or other appropriate action. Further, these individuals shall not render a decision that would alter an agency's performance pay program. (P-8-18)

### **SCOPE OF REVIEW**

#### **Matters That Can Be Reviewed Via the Dispute Resolution Process:**

Authority: State Personnel Rules and Procedures, Chapter 8, P-8-14

Matters resulting from performance management and evaluation for employees under Colorado's performance pay program are subject to this dispute resolution process.

- A. The individual performance plan or lack thereof.
- B. The individual final overall rating or lack thereof.
- C. The application of an agency's performance pay program to the individual employee's plan and/or rating.
- D. Full payment of an award.

Note: Employees may, after internal review, request external review by the State Personnel Director for matters relating to application of the agency's performance pay program plan to the individual's plan or final rating or full payment of an award. The written request must be made within five working days of the agency's final decision and must include a copy of the original issues and final agency decision. Please refer to P-8-17(B) for filing requirements. Only issues originally presented in writing shall be considered throughout the dispute resolution process.

#### **Matters That Cannot Be Reviewed Via the Dispute Resolution Process:**

Authority: State Personnel Rules and Procedures, Chapter 8, P-8-15.

- A. The content of an agency's performance pay program.
- B. Matters related to the funds appropriated.
- C. The performance evaluations and awards of other employees.
- D. The amount of a performance award, including whether it is base or non-base building, any combination or none, unless the issue involves the application of the agency's performance pay program.
- E. Any interim rating.



## **PROCEDURE & TIMEFRAMES**

Matters that are reviewable by this internal dispute resolution procedure will be resolved by the respective section deputies and, if necessary, the Chief Deputy as described below. (Alternate reviewers will be designated for those employees who are rated by their section deputies.) A description of this internal dispute resolution process, including timelines, is available to all employees on the DOL Intranet. In the event dispute resolution is invoked, employees will be immediately notified of the identity of the reviewer/decision maker.

If an employee wishes to have his/her performance pay program evaluation reviewed, the employee must submit a Notice of Dispute to the Personnel Officer within seven calendar days of the administration of the rating. The employee's supervisor/rater and section deputy must each receive a copy. Only those issues listed under "Matters that Can Be Reviewed Via the Dispute Resolution Process" are eligible for further review. Furthermore, only those issues presented in the Notice of Dispute will be reviewed.

The Notice of Dispute should be as complete as possible and include:

- a description of the issue(s)/item(s) disputed,
- the reasons for the dispute,
- desired remedy or outcome (must be within parameters of agency plan)
- documentation (if any)

The section deputy will respond to and make every effort to resolve the dispute within seven calendar days of receiving the Notice of Dispute. The deputy is encouraged to meet personally with the supervisor/rater and employee to hear both sides. The deputy may also request additional information or investigate further as he/she deems necessary. The section deputy's decision will be written on the Notice of Dispute form (additional pages may be attached if required). The original will be returned to the Personnel Officer, and copies will be provided to the employee and supervisor/rater.

If the employee is not satisfied with the section deputy's resolution, the employee may request further review by the Chief Deputy within three working days of the section deputy's written decision. Issues which were not included in the original Notice of Dispute may not be incorporated into the request for further review.

The Chief Deputy (or designee) will review only those issues that were submitted to the section deputy. The Chief Deputy will issue a written decision within seven calendar days of receiving the request for further review. Meetings and additional investigation will be conducted at the discretion of the Chief Deputy. The decision of the Chief Deputy will be the final agency decision.

Final resolution of issues concerning an individual's performance plan (or lack of plan) and the individual's performance evaluation shall occur at the internal level. Employees will have no further recourse for resolution of these disputes.

Disputes concerning application of the department's performance management program, policies or processes, or full payment of an award (if relevant) may proceed beyond the department level to the State Personnel Director (external process) after completion of the internal process. A neutral third party is selected by the State Personnel Director to make the external decision.

If the employee desires further review by the State Personnel Director, that request must be filed with the State Personnel Director (1120 Lincoln, Suite 1420, Denver, Colorado 80203) within five working days of the final agency decision. Such a request must meet the requirements of Rule P-8-17.

The supervisor/rater will have approximately six calendar days to implement the decisions/recommendations of the Chief Deputy and review any changes with the employee.

### **SUMMARY**

<b>Timeframe</b>	<b>Days</b>	<b>Action</b>
Day 0	- - -	Performance Evaluation/Administration of Rating
Days 1-7	7 calendar days	Notice of Dispute filed with Personnel Officer (with copies to section deputy & supervisor/rater)
Days 8-14	7 calendar days	Section Deputy review & decision
Days 15-17	3 working days	Request for further review by Chief Deputy filed with Personnel Officer
Days 18-24	7 calendar days	Chief Deputy review & final agency decision
Days 25-30	5 working days	Deadline to request review by State Personnel Director
Days 25-31	6 calendar days	Implementation of agency decision by supervisor/rater

Retaliation against any person involved in the dispute resolution process is prohibited.

## **VI. Communications and Training.**

### **Communications:**

Extensive communication is absolutely vital to the success of DOL's performance pay program. Communication establishes opportunities for dialogue on issues of critical importance, enhances credibility, obtains employee buy-in, and promotes overall trust. The Department of Law Implementation Plan uses established communication methods that the staff is already familiar with.

- Continue our internal communications process to respond to employee questions and concerns. This includes posting information on the Intranet, using small group meetings, placing information in the Monday Memo, and training during new employee orientation sessions.
- Continue using a department wide e-mail address to respond to employee questions and concerns.
- Continue to write articles for the Monday Memo to highlight and communicate performance pay program success within DOL.
- Continue to include the performance pay program as an agenda item on periodic Department Deputy meetings to discuss and resolve emerging issues and concerns.
- Deputies will continue to emphasize the performance pay program in staff meetings.
- The DOL Orientation Program will be revised to include pertinent information on performance management and the supervisor and employee roles and responsibilities under the performance pay program.

### **Training:**

On-going training is necessary for DOL employees to prepare for continued change. By thoroughly training employees at all levels within the department they will acquire new skills, attitudes, and behaviors. This will help them adapt to change, and focus on the future.

As DOL continues implementation of this performance pay program, employees must continue to be knowledgeable of relevant policies. The following information will be provided to all employees. Further, employees will receive any changes to these policies on a timely basis.

- Announce annually the State Personnel Director's determination of the maximum award percentage for Level 4.
- Announce annually DOL's determination of the maximum award percentages for Levels 2 and 3.
- How to use the employee performance evaluation form.
- The Dispute Resolution process and an employee's rights to dispute performance pay program matters.

The department's executive management will determine when additional or on-going training is necessary. They will closely monitor training activities and progress in meeting training goals included within this plan. This includes training on performance pay program policies for all new DOL employees. Under the performance pay program, supervisors will become coaches to their employees using strong interpersonal skills to provide the right advice, support, assignments, and resources at the right time. Further training may be desirable in managing the employee evaluation process. This includes preparing for the evaluation meeting and conducting the evaluation session.

## **VII. Recordkeeping.**

The Department of Law will input performance pay program data into the EMPL system and develop a method to track and report performance and award information. The final report will include the following:

- Total dollars appropriated for performance awards
- Total amount of those appropriated dollars awarded to employees for performance awards
- Total amount of dollars awarded for each performance category
- Tracking of performance ratings

Information, as required by the State Personnel Director, will be reported by specified deadlines.

## **VIII. Evaluation of Colorado's Performance Pay Program.**

Designed as a living system, the effectiveness of Colorado's performance pay program at the Department of Law will be evaluated regularly by members of the Department of Law Performance Pay Program core committee.

Three areas identified for review and evaluation are:

1. Increased productivity
  - Performance --quantity and quality
  - Cost Analysis --both pre-implementation and post-implementation
  - Flexibility
  - Number of employees in the performance rating categories before and after implementation of the performance pay program
2. Quality service
  - Performance program
  - Adherence to all system parameters
  - Appropriateness and use of pay plan, pay ranges, job rates and other pay related issues
  - Training --scope and effectiveness
  - Equity of the process
  - Effectiveness of the Dispute Resolution process
  - Communication --scope and effectiveness of the education and information strategy
3. Employee commitment
  - Employee satisfaction --One on one interaction, group meetings, internal chat room
  - Manager satisfaction --one on one interaction
  - Retention of employees
  - Understanding of the program by employees, supervisors, and managers

## **IX. Glossary of Terms.**

Above Standard - The Level 3 performance rating level, which frequently exceeds job expectations with higher quality, more innovations, and less supervision than typically required. At DOL, the Above Standard rating level is referred to as "Commendable".

Advisor - An individual who assists a party during the dispute resolution process in explaining the process, helping identify issues, preparing documents, and attending meetings.

Base-building award - A sum of money earned by an employee that increases base pay.

Base pay - Salary, excluding any premiums, paid on a fixed, non-variable basis.

Bonus - A sum of money, or other compensation, given to an employee in addition to the employee's base pay. It is a form of extra payment over the job rate and must be re-earned on an annual basis.

Compensation Distribution Committee - a seven member committee charged with applying DOL's award distribution priorities and calculating individual payouts.

Dispute Resolution Process - Under Colorado's performance pay program, the internal process used to resolve issues about an employee's performance plan or rating or the application of the agency's performance management and evaluation plan, policies, or processes to the individual's plan or evaluation, or the full payment of an award.

Measures - A basis or standard of comparison. Defines what will be measured to determine a successful level of performance. Measures usually consist of one or more of the following criteria: quantity, quality, time or cost.

Non-base building award - A monetary or non-monetary award earned by an employee which must be re-earned on an annual basis.

Non-base pay - An amount of pay that is not added to an employee's base pay and that must be re-earned.

Non-monetary award - A non-cash reward that is given based on performance.

Outstanding - The Level 4 performance rating level, which consistently exceeds job expectations with higher quality, more innovations, and less supervision than typically required. *This level is unique and difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment (per 9/1/01 procedural change to P-6-1 G).* At DOL, the Outstanding rating level is referred to as "Exceptional."

Pay range - The spread of salaries between minimum and maximum rates for a specific class. A pay range is established based on the annual Total Compensation Survey. The width of pay ranges varies by occupational groups.

Performance Appraisal - A system that provides a periodic review and evaluation of an individual's job performance.

Performance award - For those under this performance pay program, any amount awarded annually for Level 2, 3, or 4 performers. Awards may be base or non-base building and monetary or non-monetary.

Performance-based pay - Pay which is tied directly to an employee's performance evaluation. Agencies may exercise discretion in administering the amount of performance-pay awards under the general guidelines.

Performance Management - The systematic process of linking and aligning organizational resources to execute strategies which are expected to achieve specific, measurable results. Links individual work and appraisal plan to organization strategic plan, mission, goals, and objectives. Provides for coaching and feedback to employees on a continuous basis. Includes a formal appraisal process.

Performance Management Form - Developed by DOL, this is the document used to record an employee's performance plan and rating.

Performance Review Committee - a three member committee charged with reviewing performance evaluations for consistent application of DOL's performance management model.

Rating levels - Level 1/Unsatisfactory ("Needs Improvement"), Level 2/Satisfactory ("Successful"), Level 3/Above Standard ("Commendable"), Level 4/Outstanding ("Exceptional")

Satisfactory - The Level 2 performance rating level, fulfills job expectations with only a normal amount of supervision and direction. At DOL, the Satisfactory rating level is referred to as "Successful".

Total Compensation Salary Survey - Also known as the Salary Survey. An annual process required by law to establish prevailing wages for employees in the state personnel system. Third-party survey publications are collected and matched with state classes in order to compare the pay and benefit rates between the labor market and the state.

Unsatisfactory - The Level 1 performance rating level, indicating that performance does not meet standards. Achieved results do not meet job requirements. Employee may require more than normal amount of supervision and direction. At DOL, the Unsatisfactory rating level is referred to as "Needs Improvement".